

## Conference Action on the 2010 Budget Resolution

The House and Senate have passed a joint budget resolution for Fiscal Year 2010. The House adopted the conference agreement on the FY 2010 budget on April 29 by a vote of 233 to 193. Senate passage followed on April 29 with a vote of 53 to 43. With the passage of the budget resolution, the Appropriations Committees can formulate their allocations of budgetary authority to the twelve appropriations subcommittees.

2010 Budget Resolution: The measure includes \$3.4 trillion in funding for FY 2010, comprised of \$1.2 trillion in discretionary spending and \$2.2 trillion in mandatory spending. For 2010, discretionary spending in the plan is \$10 billion less than the level proposed by the President and includes \$670.1 billion for non-defense discretionary spending and \$556.1 billion for defense-related spending excluding emergency funding (such as the pending emergency supplemental for war funding).

For the Natural Resource and Environmental programs category (where most Interior programs are funded), the budget resolution includes \$35.3 billion in discretionary spending, \$200 million more than the President's proposed level. This is \$2.5 billion below the 2009 enacted level (excluding Recovery Act appropriations). The conference agreement includes significant increases for natural resources and environment programs. The agreement provides additional resources for agencies such as the Army Corps of Engineers and the Bureau of Reclamation to invest in national water infrastructure priorities. It also increases funding for a number of other programs throughout the Department of the Interior, the Forest Service, and the National Oceanic and Atmospheric Administration. Funding increases in 2011 through 2014 by 5 percent over the 2010 level. The Community and Regional Development category (the category in which much of BIA is included) is funded at \$17.9 billion, an increase of \$3 billion or 20 percent over the 2009 enacted level. Funding declines from 2011 through 2014 by 9 percent from the 2010 level.

The proposal includes deficit projections of \$1.2 trillion for FY 2010, \$146 billion less than the President's budget. The deficit is projected to decline to \$523 billion by 2014. The package includes tax cuts of \$764 billion over five years including extension of 2001 and 2003 tax cuts for households earning less than \$250,000, a three-year alternative minimum tax patch, and permanent extension of 2009 estate tax levels.

The budget resolution increases debt from \$7.7 trillion in FY 2009 to \$11.5 trillion in FY 2014. The House vote included an increase in the statutory debt limit by \$925 billion to \$13.029 trillion. The Senate has yet to vote on the debt limit.

The budget resolution includes deficit-neutral reserve funds for a series of initiatives. These are yet to be defined amounts to be funded from yet to be defined sources. It is up to the authorizing committees to determine the level of spending and mix of offsets that may be necessary to fund these investments. There are reserves for a Clean Energy Investment Fund, health care, child nutrition, investments in infrastructure, economic stabilization, veterans programs, defense acquisition, judicial pay, the Food and Drug Administration, and higher education.

The resolution also emphasizes the importance of Great Lakes restoration, including funding for

a new interagency initiative to address such regional ecosystems.

Passage of the measure in the House and related discussions about deficit-reduction caused House leaders to pledge their support for stricter deficit control measures going forward. A letter from Speaker Pelosi and Majority Leader Hoyer promised strict pay-as-you-go treatment for four bills expected to come up later in the year that would prevent the alternative minimum tax from hitting more households, increased Medicare payments to doctors, adjust the estate tax, and extend expiring middle-class tax cuts. The letter indicates that the House will follow PAYGO rules and require an offset for the costs of the proposals.